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September 16, 1296 commitmentions commission

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William F. Caton, Acting Secretary Federal Communications Commission Washington, D.C. 20554

Dear Mr. Caton:

Enclosed herewith, on behalf of CommNet Cellular Inc. (CommNet), are an original and twelve copies of CommNet's Reply Comments in CC Docket No. 95-116.

In accordance with the Commission's Order in this docket (Telephone Number Portability, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116, 11 F.C.C.R. 8352 (released July 2, 1996)), two copies of the reply comments are being submitted this day to the Competitive Pricing Division, Common Carrier Bureau and one copy is being submitted to the Commission's copy contractor, ITS, Inc. In addition, a copy of this pleading, on diskette and in the specified format is being filed this day with the Competitive Pricing Division of the Common Carrier Bureau. A copy of this pleading, marked "RECEIPT", is being delivered this day to your offices for the appropriate date stamp. Please return the "RECEIPT" copy to our offices after affixing the stamp.

Any questions concerning this filing should be directed to the undersigned.

Respectfully submitted,

Benjamin H. Dickens, Jr.

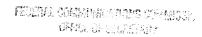
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SEP 1 6 1996

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554



| In the Matter of |) | | | |
|------------------------------|-------------|-------|-----|--------|
| Telephone Number Portability |))) | CC Do | No. | 95-116 |

Reply Comments of CommNet Cellular Inc.

Benjamin H. Dickens, Jr.

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Attorney for CommNet Cellular Inc.

September 16, 1996

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

| In the Matter of |) | | | |
|------------------------------|-------------|----------------|-----|--------|
| Telephone Number Portability |))) | Docket 8535 | No. | 95-116 |

Reply Comments of CommNet Cellular Inc.

CommNet Cellular Inc., (CommNet), by its attorney, hereby respectfully submits it reply comments to the Further Notice of Proposed Rulemaking (FNPRM) in the above captioned proceeding.¹

CommNet supports comments which suggest that industry wide, direct carrier specific and non-direct carrier specific costs² related to compliance with the number portability mandate should be recovered from all telecommunications carriers, inasmuch as cost recovery mechanisms will be applied in a competitively neutral environment. CommNet also supports comments which have brought attention to the significant number of elements which remain undefined and/or unknown insofar as Commercial Mobile

¹ <u>Telephone Number Portability</u>, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116, 11 F.C.C.R. 8352 (released July 2, 1996).

² The FNPRM proposes that there are three types of costs involved in meeting the number portability mandate: 1) costs incurred by the industry as a whole; 2) carrier specific costs directly related to providing portability; and 3) carrier specific costs not directly related to providing portability (the "tri-parte cost analysis") (FNPRM ¶208).

Radio Services (CMRS)³ providers' implementation of number portability is concerned. The Commission should accordingly consider postponing action in developing the cost recovery mechanism for CMRS providers given the significant uncertainty in the costs and related recovery requirements.

An overwhelming number of comments addressed the cost recovery issue with a focus on wireline costs incurred in complying with the number portability mandate. Cellular Telecommunications Industry Association (CTIA) emphasized the difference between the wireline and wireless industries, noting that it may be many months before an estimate can be made for certain costs related to number portability for wireless carriers. (CTIA Comments at page 4).

Moreover, the FCC's proposed "tri-parte cost analysis" may prove to be an insufficient basis for wireless cost recovery rules when the final effect upon wireless carriers is determined. For instance, the second and third elements under the "tri-parte cost analysis" - - carrier-specific costs directly related and carrier specific costs not directly related to number portability - - are points of significant contention in the comments. Some comments expressed concern that carriers who must upgrade would be able to take advantage of the cost recovery mechanism and improperly pass the cost of additionally available services into the mechanism. (See, Time Warner Communications Holdings, Inc.,

³ CommNet uses the classification "CMRS" in this proceeding in accordance with the definition provided in the FNPRM at paragraph 155, "cellular, broadband PCS, and covered [SMR]".

Comments at 3, "...Intelligent Networks or Advanced Intelligent Networks are infrastructure upgrades that can and will be recovered by carriers through the provision of a wide range of services other than number portability." See also, Omnipoint Communications, Inc.'s, Comments at 2 "...proposals of 'pooling' or spreading the costs of some carriers' network upgrades across all carriers works against the Congressional objective." See also, Teleport Communications Group, Inc., Comments at 9 "While [AIN] capabilities are necessary to port numbers under the Local Routing Number methodology,...,they are also used for revenue producing purposes other than number portability, such as Class functions.")

Thus, while wireline carriers may be in a position to pass on costs associated with these additional network upgrades, CMRS providers as not so similarly situated. For instance, the wireless network architecture employed by CMRS providers already provides end users with many advanced services and technologies which would be little affected by a network adjustment to allow number portability. Winstar Communications, Inc's comments, recognize this fact by observing that competitive neutrality would not be served if the costs of operational upgrades could be passed on to competitors by a carrier using inefficient technology. This is not the case with CMRS providers who already may be operating at a highly efficient level, but must still make significant changes to adapt to the number portability standards. Thus, the "tri-parte cost analysis" may not be as

applicable to the wireless network as to the wireline network.

Indeed, the National Cooperative Telephone Association (NTCA) and the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) recognize that some network upgrades, regardless of other functions, will be completed for the sole purpose of complying with the number portability mandate. (NTCA and OPASTCO Comments at page 6). CommNet respectfully submits that this reasoning is equally applicable to CMRS providers. The changes to adapt the wireless networks to meet the number portability mandate may be done solely for the purpose of the mandate.

Several commenters suggest alternative methods for cost recovery. The USTA proposal, which follows the Commission's framework, introduces category "2a" costs - - carrier specific costs which are incurred solely because of the number portability mandate and which serve no other business or independent reason - and suggests that they be recovered through the national funding mechanism. (United States Telephone Association, Comments at page 2). These costs would appear to include any CMRS incurred costs to upgrade to number portability but which would not have been incurred otherwise. U S West proposes that the proper way to account for upgrade benefits is to subtract their value from the network upgrade costs which are incremental to the number portability mandate. (U S West, Inc., Comments at page 11). However, CommNet submits that identifying this incremental cost associated with deploying number portability by CMRS

carriers would be an extremely difficult task, at best.

In sum, CMRS providers' compliance with the number portability mandate will be a significant expense to those providers. This expense should be, as dictated by the Act, "borne by all telecommunications carriers on a competitively neutral basis..." Given the significant uncertainties that immediately exist in determining the costs related to compliance with the number portability mandate, and the importance placed upon those costs in "tri-parte costs analysis", the Commission should consider postponing consideration of this matter, for CMRS providers, until more complete and accurate cost information is available.

Respectfully submitted,

CommNet Cellular Inc.

By: Benjamin H. Dickens, Jr.

Its Attornéy

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September 16, 1996

⁴ 47 U.S.C. 251(e)(2).

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of September, 1996, I caused a true copy of the foregoing Comments of CommNet Cellular Inc. to be served by U.S. Mail, postage pre-paid upon the persons listed on the attached service list.

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